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Report of the Delhi Group on Informal Sector Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fourth session,** the Secretary-General has the honour to transmit the report of the Delhi Group on Informal Sector Statistics. The Commission is requested to review the update on the work of the Group and comment on the proposed future plans.

* E/CN.3/2004/1.

** See *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24), chap. I.A.

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Report of the Delhi Group on Informal Sector Statistics

Purpose

Set up as an international forum to exchange experience in the measurement of the informal sector, document data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal sector statistics.

Year organized

1997.

Participants

Experts from the statistical offices of: Armenia, Australia, Bangladesh, Brazil, Colombia, Cuba, Ethiopia, Fiji, India, Indonesia, Republic of Korea, Mexico, Nepal, Nigeria, Philippines, Poland, Sri Lanka, Thailand, Turkey, Venezuela and Zambia; international bodies, such as: Asian Development Bank, Economic and Social Commission for Asia and the Pacific, International Labour Organization (ILO), Statistical Institute for Asia and the Pacific and United Nations Statistics Division; and other institutions such as: French Scientific Research Institute for Development and Cooperation, Gujarat Institute for Development Research, Harvard Institute for International Development, National Council for Applied Economic Research, Self-Employed Women's Association, Socio-Economic Research Centre and Women in Informal Employment Globalizing and Organizing.

Meetings

First meeting: New Delhi, 20-22 May 1997.

Second meeting: Ankara, 28-30 April 1998.

Third meeting: New Delhi, 17-19 May 1999.

Fourth meeting: Geneva, 28-30 August 2000.

Fifth meeting: New Delhi, 19-21 September 2001.

Sixth meeting: Rio de Janeiro, 16-18 September 2002.

Topics considered

First meeting

The meeting was primarily focused on evolving the terms of reference of the Delhi Group and presenting papers on country experience in the collection and publication of informal sector statistics. The importance of the informal sector for the economies of developing countries and developments in its measurement were also discussed by different international organizations.

Second meeting

The current status of informal sector statistics, limitations of comparability, country profiles etc. were discussed. A number of technical issues, such as

definitional issues, classification and operational problems, survey approaches and sampling designs, including mixed household and enterprise survey etc. were discussed in detail. In addition, the contribution of informal sector in terms of employment, value added, capital formation etc. in the economy of participating countries was also discussed.

Third meeting

The meeting was structured to focus discussions on the following specific technical issues:

(a) Operationalization of the Fifteenth International Conference of Labour Statisticians/System of National Accounts, 1993 international definition of the informal sector;

(b) Strategies to address the issues relating to sampling frame and weighting in informal sector surveys;

(c) Methodologies for obtaining accurate measures of value added for the informal sector.

The meeting recognized that the national definitions of informal sector could not be fully harmonized since the informal sector manifested itself in different ways in different countries. However, it was recommended to use the criteria of legal organization, type of account and product destination in the definition and identification of informal sector units.

Fourth meeting

The meeting consisted of three technical sessions devoted to:

(a) Presentation of results of informal sector surveys conducted by different countries in relation to the action taken and limitations of different survey methods and sampling designs;

(b) Methodology for developing more accurate measures of value added and estimation of the contribution of the informal sector to gross domestic product;

(c) Alternative structure of the International Standard Industrial Classification of All Economic Activities, Revision 3, for the informal sector.

Fifth meeting

The technical issues were structured along the following topics:

(a) Application of informal sector definition: treatment of persons at the borderline between own-account workers and employees;

(b) Development of criteria for the identification of persons in informal (or precarious, non-standard etc.) employment inside and outside the informal sector;

(c) Sampling frames and designs for mixed household and enterprise surveys;

(d) Evaluation of informal sector survey data and measures for quality improvement;

(e) Country experience.

Sixth meeting

The sixth meeting considered the following issues:

(a) Operationalization of the concept of "informal employment" as distinct from "informal sector employment";

(b) Linkages of informal sector statistics with income and expenditure and poverty statistics;

(c) Establishment of comparable data sets on informal sector;

(d) Methods and procedures for the collection of informal sector statistics on a regular basis, including the preparation of a manual.

Products

Reports of the first through sixth meetings.

Planned activities

The Group will work on the recommendations of its sixth meeting, which was held in Rio de Janeiro from 16 to 18 September 2002. The recommendations of the sixth meeting are as follows:

(a) The Group recognized the need for consolidating country experience and recommended further research for evolving a statistical definition of informal employment and methods of compiling informal employment statistics through labour force surveys;

(b) It was recommended that the countries undertaking combined labour force and expenditure surveys conduct further research to evolve methodologies for linking poverty estimates and informal sector employment;

(c) The Group recommended a joint meeting of the Rio Group on Poverty Statistics and the Delhi Group for addressing the issues relating to the linkage between informal sector and poverty;

(d) Countries need to be encouraged to develop comparable data sets on the informal sector and properly archive them for use by all interested agencies;

(e) Countries undertaking income and expenditure surveys need to be encouraged to identify methods for measurement of the informal economy through such surveys;

(f) It is recommended that the ILO complete a methodological manual on informal sector surveys and present the draft for discussion to the Delhi Group if possible during its 2004 meeting;

(g) To ensure participation of more countries in the Delhi Group, the Chair and members of the Group should approach donor agencies to obtain funding for its meetings, including funds for interpretation;

(h) Future work of the Delhi Group needs to be enlarged to develop methodologies for addressing such policy issues as poverty while continuing to focus on developing high-quality informal sector statistics. The necessary base papers for the next meeting need to be prepared in advance and circulated for the countries to prepare research papers;

(i) Countries should be encouraged (e.g., through financial support provided by donor agencies) to undertake an evaluation of the quality of their informal sector statistics and present the results of such studies at upcoming meetings of the Delhi Group.

Future programme

The next meeting of the Delhi Group has been scheduled for 2 to 4 February 2004, the venue of the meeting has not yet been decided. The tentative agenda of discussion includes:

(a) Defining informal employment and methodologies for its measurement;

(b) Improving the quality of informal sector statistics — country experience;

(c) Measurement of informal economy through income and expenditure surveys.

Apart from the above, the ILO is developing a methodological manual on informal sector statistics and the draft is likely to be discussed at the forthcoming meeting.

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